

**MINUTES OF THE BOARD MEETING
OF THE BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, November 20, 2013
450 Child Street, Boardroom, Warren, RI**

Pursuant to proper notice, the Board Meeting of the Bristol County Water Authority was called to order by Chairman Klepper at 6:00 pm, 450 Child Street, Boardroom, Warren, Rhode Island.

Executive Director Pamela Marchand, Legal Counsel Joseph Keough and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, Paul Bishop, William Gosselin, John Jannitto, Allan Klepper, Bradford Louison, Georgina Macdonald, Raymond Palmieri, Sr., Frank Sylvia

Directors Absent: None

- 1. Public Input – None**
- 2. Approval of Minutes**

Director Sylvia made the following motion seconded by Director Jannitto

MOTION: To approve the minutes of 10/16/13 Board meeting.

Director Palmieri made a correction to the minutes.

Motion passed unanimously with corrections.

Director Jannitto made the following motion seconded by Director Louison

MOTION: To approve the minutes of the 10/23/13 Management Development Compensation Committee Meeting

Motion passed unanimously.

Director Jannitto made the following motion seconded by Director Gosselin

MOTION: To approve the minutes of the 10/23/13 Board meeting.

Chairman Klepper made a change to the minutes.

Motion passed unanimously as modified.

3. Executive Director's Report

Executive Director P. Marchand stated an agreement had been reached with the Division of the PUC for a 2% rate increase for wholesale customers of Providence Water, the agreement needs to be approved by the Commission. Poppasquash Road – item will be added to the Bristol Town Council Agenda in December.

Director Palmieri asked if the Water Supply System Management Plan had been completed. Executive Director P. Marchand stated it will be completed by the end of the month.

Water Street Main Replacement – we sustained damage to our water main during the installation of a 30” sewer main next to our AC pipe. We replaced a section of the main and will be seeking compensation from the engineering firm said the Executive Director.

4. Financial Report – M. Champagne

Finance Manager M. Champagne stated that last month’s expenses were under budget while YTD revenues were up. The O&M Budget will be presented at the Finance Committee Meeting on 12/12.

Director Macdonald asked for a report on the Water Treatment Plant’s total expenses.

Director Allio requested Washington Trust provide commentary on performance, trends and benchmarks.

Chairman Klepper asked that this information be available for the 12/12 Finance Meeting.

5. Town of Warren Request to Abate Waste Water Plant Bill

Director Jannitto stated that a seal on a pump developed a leak, resulting in a high water bill. They did not know there was a leak until they received their bill. This was an accident that happened. The amount should be charged-off.

Director Palmieri stated that the bill had already been reduced per normal policy.

Director Jannitto made the following motion, seconded by Director Sylvia

MOTION: Mark the bill amount down as a charge-off and bring the bill to the usual amount of \$300.

Director Palmieri stated they should not receive preferential treatment. Homeowners have problems and they must follow policy. Discussion followed regarding the issue of setting a precedent to treat the Town differently from other customers

Director Jannitto withdrew his motion.

Director Sylvia made the following motion

MOTION: Request Town of Warren to ask United Water if their insurance is liable for this bill.

Directors agreed that the BCWA policy should be followed.

Director Sylvia withdrew his motion.

Director Jannitto made the following motion seconded by Director Sylvia

MOTION: Reduce the bill to \$300.00, the customary amount.

Motion failed 2 - 7, Voting Aye Directors Jannitto and Sylvia. Voting Nay Chairman Klepper, Directors Allio, Bishop, Gosselin, Louison, Macdonald and Palmieri.

Director Macdonald made the following motion seconded by Director Gosselin

MOTION: To uphold the Bristol County Water Authority's Policy in regards to the leak at the Warren Sewer Plant.

Motion passed 7 – 2, Voting Aye Chairman Klepper, Directors Allio, Bishop, Gosselin, Louison, Macdonald and Palmieri. Voting Nay Directors Jannitto and Sylvia.

6. Claim: Robert Estrella – for Compensation

Director Macdonald asked for an explanation of the service pipe snapping.

Executive Director P. Marchand explained it was a galvanized pipe, the inside of it was corroded causing the pipe to snap when the meter was being removed. The customer is responsible for maintaining the service line in good condition. The Gob Shop is requesting compensation for \$600 in lost inventory and \$900 for clean-up. The offer made to Mr. Estrella was to pay half of what was considered the insurance deductible, \$250.00. Since that time, Mr. Estrella determined his insurance deductible was \$2500. My recommendation to the Board is to approve paying half of the \$900 to settle the claim.

Executive Director and J. Granata to request Mr. Estrella to provide an itemized inventory list.

Director Palmieri made the following motion, seconded by Director Macdonald

MOTION: To pay half of the \$900 for clean-up.

Motion passed 7 – 2, Voting Nay Directors Jannitto and Gosselin.

Director Palmieri stated that valves should be shut-off at the curb, there are many old pipes in the community.

Executive Director P. Marchand informed the Board of a program where homeowners can purchase maintenance for their service line through a separate company. The company would repair any leaks and replace service lines that are not copper when a leak occurs.

Item to be placed on future agenda.

Consensus of the Board was for the Executive Director to send out an RFP for an insurance company to provide this service to BCWA.

7. Pension Plan – Future Options

Legal Counsel J. Keough discussed lump sum payments being allowed. If the Board denies a lump sum payment there is an appeal process.

Chairman Klepper stated item to be added to next month's meeting in Executive Session.

Executive Director stated changes to the plan must have the union's approval.

8. Pension Investment Policy

Director Palmieri presented changes to the policy.

Director Allio made the following motion seconded by Director Palmieri

MOTION: Accept Pension Investment Policy, as marked-up.

Motion passed unanimously.

Chairman Klepper thanked the Finance Committee.

9. Draft Employee Handbook

Executive Director P. Marchand stated that the handbook had been reviewed by Cornerstone's legal department. The handbook supports the contract, it does not override the contract.

Director Sylvia asked for all comments from employees.

Director Jannitto made the following motion seconded by Director Sylvia

MOTION: To approve BCWA's Employee Handbook. Any questions will be investigated and modified as necessary.

Motion passed unanimously.

10. Draft – Strategic Implementation Plan

Chairman Klepper stated that this plan reflects the latest information.

Director Allio made the following motion seconded by Director Macdonald

MOTION: To accept the Strategic Implementation Plan, as corrected.

Motion passed unanimously.

11. Draft – Capital Plan

Executive Director P. Marchand stated that BCWA will be going out to bond for \$8 million for replacement of water mains. If we reduce our capital cash we could do a lesser rate increase but will still need to take out an additional small bank funded bond for \$1.5 million.

To date we have spent \$700,000 in cash on capital projects said the Executive Director. With the extra cash we will find our IFR and OPEB Account and we are looking to set up a separate IFR Fund to help fund all of our capital projects.

Director Allio stated that \$1.2 million in cash has been generated more than budgeted and he would like to see alternative scenarios at the Finance Meeting on 12/12.

Chairman Klepper stated in the past the objective was to look out for the ratepayers with the least amount of rate increases while meeting our basic obligations.

12. Draft – Finance Plan

Item to be discussed at the 12/12/13 Finance Meeting.

13. Summary – New Computer System – Director Allio

IT Specialist R. Manchester presented an update on the MIS system.

14. Board Self-Evaluation

Director Allio stated this will be an evaluation for the Board as a whole, the Board should hold itself accountable. Final results of the survey will be anonymous.

Chairman Klepper stated he spoke with the new town manager for East Providence. Everything that is contained in the report by CDM-Smith takes care of their needs. East Providence is not holding up our project.

Director Sylvia made the following motion seconded by Director Jannitto

MOTION: To adjourn the meeting.

Motion passed unanimously.

There being no further business the meeting was adjourned at 8:35 pm.

Allan C. Klepper
Chairman